

Message Text

LIMITED OFFICIAL USE

PAGE 01 MADRID 05711 051633Z

70

ACTION AGR-20

INFO OCT-01 EUR-25 ISO-00 EB-11 CEA-02 CIAE-00 COME-00

DODE-00 FRB-02 H-03 INR-10 INT-08 L-03 LAB-06 NSAE-00

NSC-10 PA-03 RSC-01 AID-20 CIEP-02 SS-15 STR-08

TAR-02 TRSE-00 USIA-15 PRS-01 SPC-03 OMB-01 DRC-01

/173 W

----- 025117

R 051556Z OCT 73

FM AMEMBASSY MADRID

TO SECSTATE WASHDC 6856

LIMITED OFFICIAL USE MADRID 5711

E.O. 11652: N/A

TAGS: EAGR SP

SUBJ: VARIABLE LEVIES ON SOYBEANS AND SOYBEAN PRODUCTS

REF STATE 195005

PURSUANT TO PARA 4, REFTTEL, AGRICULTURAL ATTACHE MILLER
CONFERRED OCTOBER 3 WITH VIRGILIO OHATE, UNDER SECRETARY OF
AGRICULTURE, GOS, REGARDING GOS DECREE 2142/73 INCORPO-
RATING SOYBEANS, SOYBEAN MEAL AND SOYBEAN OIL INTO VARIABLE
IMPORT LEVY SYSTEM. ATTACHE EXPRESSED CONCERN OF USG OVER
THE ESTABLISHMENT OF ANY SYSTEM OF V.L. AND REQUESTED
INFORMATION REGARDING POLICY OF GOS THERETO. MR. OHATE
STATED:

1. THAT IN ORDER TO PROTECT LIVESTOCK AND POULTRY PRODUCERS
FROM SPECULATIVE ESCULATION OF PRICES OF SOYBEANS, THE GOS
HAS BEEN MAINTAINING A SYSTEM OF INTERNAL SUBSIDY PAYMENTS
TO IMPORTERS AND CRUSHERS THAT HAS STABILIZED THE PRICE OF
SOYBEAN MEAL TO PRODUCERS, AT FIRST 12 PESETAS, THEN
18 PESETAS AND FINALLY 20 PESETAS/KILO. THESE PRICES
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 MADRID 05711 051633Z

TO PRODUCERS WILL BE MAINTAINED AFTER RETURN TO MORE

NORMAL MARKET CONDITIONS (CHEAPER PRICES) AND UNTIL SUCH TIME AS THE SPANISH TREASURY HAS RECOVERED THE MONEYS EXPENDED IN THE PAYMENT OF THE SUBSIDY.

2. THAT GOS DECREE 2142/73 , ESTABLISHING VARIABLE LEVIES ON SOYBEAN PRODUCTS, WAS THE VEHICLE CHOSEN TO ACCOMPLISH THIS LATTER PURPOSE.

3. THAT THE V.L. WOULD BE CONTINUED ONLY SO LONG AS NECES-SARY TO RECOVER MONEY SPENT ON SUBSIDY TO HOLD DOWN PRICES OF MEAL DURING THE CRISIS AND WOULD PROBABLY BE REMOVED EVEN BEFORE THAT TIME.

4. THAT THIS WAS AN INTERNAL GOVERNMENTAL ARRANGEMENT AND WAS MADE APPLICABLE TO ALL SOYBEAN PRODUCTS IRRESPECTIVE OF COUNTRY OF ORIGIN AND WOULD, IN NO WAY, AFFECT THE LEVEL OF IMPORTS.

5. THAT HE CONSIDERED THE SPANISH DEMAND FOR SOYBEAN MEAL, IN THE SHORT RUN, TO BE ENTIRELY INELASTIC REGARDLESS OF PRICE AND THAT TO PREVENT A RAPID RISE IN CONSUMER'S FOOD PRICE GOS WAS FORCED TO ESTABLISH THIS SYSTEM OF SUBSIDIZED MEAL AND SOYBEAN IMPORTS."

GOS HAS NOT MADE PUBLIC THE COST OF THE PROGRAM TO DATE. THIS EMBASSY HAS HEARD FROM PRIVATE SOURCES THAT GOS HAS EXPENDED SOME 9.8 BILLION PESETAS THUS FAR.

IN LIGHT OF ABOVE, THIS EMBASSY REQUESTS FURTHER INSTRUCTIONS.

RIVERO

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: IMPORTS, EXPORTS, SOYBEANS, SOYBEAN OIL, PRICES, LEVIES
Control Number: n/a
Copy: SINGLE
Draft Date: 05 OCT 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973MADRID05711
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: MADRID
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19731048/aaaabjbr.tel
Line Count: 90
Locator: TEXT ON-LINE
Office: ACTION AGR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: STATE 195005
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 01 OCT 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <01-Oct-2001 by kelleyw0>; APPROVED <30-Nov-2001 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: VARIABLE LEVIES ON SOYBEANS AND SOYBEAN PRODUCTS
TAGS: EAGR, SP
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005